

STATINTL

Approved For Release 2001/08/13 : CIA-RDP78B04747A001800060023-2

contract file
P78B04747A001800060023-2

9 June 1961

MEMORANDUM FOR THE RECORD STATINTL

SUBJECT: Discussion with [REDACTED], R&D CB/PD/OL concerning contract
STATINTL with [REDACTED]

STATINTL 1. My comments to [REDACTED] concerning the contract overrun on the
Pigmi were as follows:

a. That we have to have an output to the Larr and that if we
refused to accept the Pigmi and purchase another output
it would cost us more than the overrun.

STATINTL b. That the only alternative was to attempt to reduce the
amount of the overrun.

STATINTL 2. [REDACTED] agreed with the above and also added that even if we
wanted to pay the entire overrun that he could not permit it because of the
glaring admission made by [REDACTED]. He also added that if we did pay
~~that~~ that we would be highly criticized. By "we" he included himself.

STATINTL 3. [REDACTED] then called [REDACTED] on the telephone and the STATINTL
following transpired:

STATINTL a. [REDACTED] that we at NPIC objected to
the additional cost and that his sentiments were the same,
STATINTL that [REDACTED] obviously was aware that the Agency was
not about to pay the overrun and stated that the overrun
was caused by internal problems in [REDACTED] over which STATINTL
the Agency had no control.

STATINTL b. [REDACTED] continued by stating that the [REDACTED]
charge was legitimate but beyond that he couldn't see how the
Agency entered into it. Norm added that the letter that
STATINTL [REDACTED] had written had created a damning situation for
STATINTL [REDACTED].

STATINTL c. [REDACTED] said that he would investigate the entire
situation and that Norm and he could renegotiate.

DECLASS REVIEW by NIMA/DOD

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4. After the phone call Norm indicated that negotiation would start at [REDACTED] and he would try to keep it as near to that as possible, but it may be settled at a higher figure.

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NPIC/TISD/TIB: [REDACTED]

Original:

for Contract file

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